

Report on the involvement of SME organisations in Cohesion Policy

Introduction

SMEUnited welcomed the proposal for a reinforced post-2020 cohesion policy as well as the REACT-EU initiative and the Just Transition Fund, however urges caution when providing greater flexibility for Member States. To ensure a better identification of specificities on the ground and the effective utilisation of funds, the **implementation must be based on a partnership principle with strong involvement of social partners at national and regional level**. SME organisations have an active role in ensuring the economic and social balance in urban and rural areas alike, notably through their actions in creating and maintaining jobs and transmitting skills, knowledge and innovation.

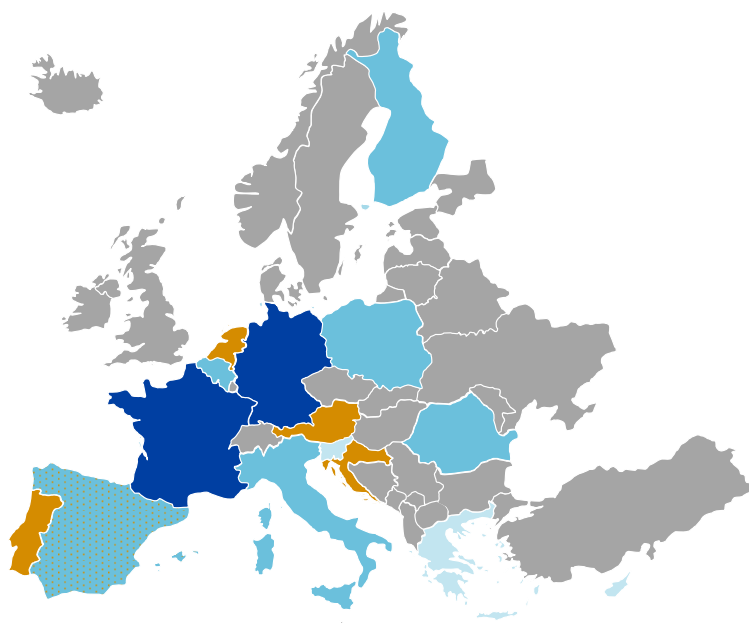
SMEUnited underlines that while the EU institutions allow for a certain degree of flexibility in programming, the Commission has also an important role to play in ensuring the systematic application of the partnership principle and reducing the burden on beneficiaries. SMEUnited believes that the **lack of partnership** can result in adopting measures unsuited to the needs of SMEs. This will **hinder the implementation of operational programmes 2021-2027, recovery and resilience plans as well as just transition plans**.

To collect data and analyse the involvement of SME organisations in the design of European Structural and Investment Funds for the 2021-2027 period, SMEUnited launched a questionnaire among its members. This document gives an **overview on the implementation of the partnership principle** based on the feedback of 17 Craft and SME organisations.

Level of SME organisations' involvement

The responses received (17 organisations from 15 EU Member States) show that Member States take diverse approaches. The reality of **partnership varies significantly across Member States as well as regions**. As seen in the map below, 12 SME organisations from 11 Member States reported a certain degree of involvement in the design phase of 2021-2017 operational programmes (ERDF, ESF+). In addition, 4 organisations (e.g. in Croatia, Portugal and the Netherlands) signalled the non-existence of partnership. In Austria, the involvement of social partners has not started yet.¹

¹ dark blue: involved in consultation, identification of thematic objectives and drafting process; medium blue: involved in consultation and identification of thematic objectives; light blue: involved in consultation; orange: no involvement in period 2021-2027; grey: n/a



However, as the answers revealed, the involvement of SME organisations **does not always mean that comments and views are also systematically taken on board**. Many members of SMEUnited consider the partnership rather limited, taking the form of a simple consultation.

It merits mention that in some Member States (e.g. in France, Germany and Italy) the partnership with regional SME organisations appears to be more advanced than in others.

In what form(s) are you involved at national level? - multiple choice	Nr. of responses
Engaged and involved in the consultation from the beginning	8
Involved in identifying thematic objectives, priorities and development needs	9
Involved in the drafting process of the programme plans	2
Involved in the decisions of the allocation of funding	0

The situation regarding the design of rural development programmes (EAFRD) is completely different, as only few national SME organisations (e.g. Cyprus, Finland, France, Germany) are involved. Regrettably, in rural development most of the Member States still consider that partnership must be limited to the representatives of agricultural organisations.

Overall, the level of **satisfaction with the implementation of the partnership principle is relatively low** among the respondents. No significant improvements have been noted compared to the previous programming period. **Difficulties of national SME organisations remain** to be timely and effectively involved. Hence, they are not able to play an active role in the design as well as in implementation of the European Structural and Investment Funds in practice.

The main challenges encountered by many SME organisations are:

- no request from managing authorities due to lack of recognition;
- delay in the consultation process and last-minute invitations;
- lack of human (qualified personnel) and financial resources to devote to the process;
- lack of experience and exchange of good practices;
- high complexity of the delegated acts and the interpretation texts.

Capacity building of SME organisations

The efficient implementation of the partnership principle depends on the technical and financial capacity of partners. The limited capacity and experience of SME organisations can also be a reason for non-involvement and hinder the efficiency of the partnership.

Most of the SMEUnited members indicated the **need to exchange information, knowledge and experience and to learn from good practices**. A large number of organisations asked for **investment in capacity building** (recruiting additional human resources) as well as for **training of staff** (developing professional expertise) to be able to engage with policy and decision making related to the implementation of European Structural and Investment Funds.

Even though technical assistance can be used to improve the capacity of partners referred to in Article 5 of the current Common Provision Regulation, in practice these resources are used to strengthen the capacity of national and regional administrative authorities. The access of SME organisations to technical assistance funding is more limited.

What kind of support would you like to get to improve your and your regional members' participation? – multiple choice	Nr of responses
Exchange of information and good practices	13
Financial support for capacity building (e.g. acquiring human resources)	11
Trainings and seminars	7
Awareness raising on participation in the design of programmes	7
Public consultation	5

Good practices at national and regional level

The participation of SME organisations in the design of ERDF and ESF+ programmes has a different nature and scale across Member States:

- Involvement in the framework of monitoring committees and participation in workshops and bilateral discussions with relevant ministries.
- Direct request for contribution on possible themes in ESF+ programme and consultation by the platform of social partners to give thematic input for the ERDF programme.
- Participation in the partnership work on programming through thematic tables, set up along the five investments priorities, followed by written contributions.
- Participation in workshops/working groups on different ERDF and ESF+ themes for the selection of investment priorities.

Conclusions and recommendations

The preliminary results of the SMEUnited questionnaire confirm the study managed by the European social partners in 2014. It underlines the **lack of “culture of partnership” in many Member States** and the remaining challenges of SME organisations to get involved. Despite the recommendations of the Commission, in practice the implementation of the partnership principle is still partial and incomplete, even though it must be seen as an essential counterpart of increased flexibility.

Meaningful application of the partnership principle

To achieve a greater impact of European Structural and Investment Funds, the **real involvement of SME organisations is required at a very early stage**, particularly with regard to decision-making on priorities and allocation of resources.

Hence, **partnership must become** the rule and be binding at European, national and regional level. The Code of Conduct on Partnership must be reinforced and become compulsory. SMEUnited asks for its revision in cooperation with European social partners, in particular to strengthen monitoring, communication and the exchange of good practices.

SMEUnited also insists on a strong and well-functioning **governance through a “multi-level and multi-actor governance”** approach. Multi-level and multi-actor governance must go hand in hand for reaching a real partnership between all actors.

SMEUnited calls for the **systematic and compulsory setting up of monitoring committees** in all regions. Regional monitoring committees should in particular be entrusted with the design and the implementation of measures adapted to regional and local specificities in the recovery and just transition plans. Moreover, the essential tasks of the monitoring committees must be defined and harmonised at EU level.

Capacity building of SME organisations

The availability of **technical assistance funds and capacity building schemes for SME organisations** plays an important role in enabling these organisations to participate. SMEUnited asks the Commission, Member States and regions to allocate resources for capacity building and training programmes to improve SME organisations' ability, knowledge and skills necessary for a genuine and active engagement.

They should benefit from technical assistance funds allowing them to be involved in the design and implementation of operational programmes, organise information campaigns, promote exchange of good practices, participate in the work of monitoring committees, provide tailor-made coaching and mentoring for SMEs and set up collective actions or even specific recovery measures.

A training program for these organisations on cohesion policy funds and European funding in general should be provided in the Common Provision Regulation. SMEUnited asks the Commission to develop and conduct a two-day training course/webinar in Brussels for SME organisations, including the reimbursement of travel expenses. The training should focus on topics, such as the set-up of cohesion policy funds and programmes, management and implementation of funds, possibilities for SME organisations to contribute to policy making and apply for funding.

Finally, in order to support Member States and regions in the establishment of partnership and capacity building measures, the **collection and exchange of good practices and experience** (e.g. partnership practices, measures of capacity building, selection of priorities) should be facilitated at European, national and regional level.

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